



March 15, 2004

Dear Representative,

On behalf of the 1.6 million members of the Service Employees International Union (SEIU), I urge you to oppose the Medicaid cuts included in the fiscal year 2005 budget resolution, in particular the reconciliation instructions that require the Energy and Commerce Committee to cut entitlement spending. The budget assumes that the Energy and Commerce Committee will cut Medicaid \$2.2 billion over the next five years. Such cuts would harm the more than 51 million people who rely on Medicaid for their health care and would reduce reimbursement to essential health care providers.

I also urge you to support pay as you go rules for additional tax cuts, such as language adopted by the Senate in the Feingold Amendment. Doing so will reduce pressure to cut vital public services, such as Medicaid. State Medicaid programs serve as an important safety net for citizens in need by ensuring access to critical health and long term care services. Medicaid provides health insurance to America's most vulnerable seniors, children, pregnant women, working families, and people with disabilities. Seniors receive prescription drug coverage and long-term care services through Medicaid. Twenty-five million children obtain vital screening and prevention services under Medicaid.

The states will be facing a major loss in federal Medicaid funds when the temporary increase in the Federal Medical Assistance Percentage expires on June 30, 2004, further exacerbating the problems states face in trying to prevent deeper cuts in eligibility, benefit and reimbursement levels. The states are also facing unexpected new costs in helping to implement the new Medicare prescription drug law. To add any budget cuts on top of these existing strains will create enormous hardship for states and threaten the health security of the Americans who rely on Medicaid for their essential health care services. These cuts would occur as states are beginning to recover from the most severe budget crisis since World War II. States need more, not less, federal Medicaid funding to sustain their current Medicaid programs and avoid greater cutbacks that add to the ranks of the uninsured and further shifts costs to health care providers.

In this time of economic insecurity for many Americans, we cannot afford to cut Medicaid. To do so will mean further reductions in essential health services to vulnerable populations and ultimately higher rates of uninsured. **SEIU is counting on you to oppose any Medicaid cuts in the fiscal year 2005 budget and to actively work to eliminate the reconciliation instructions requiring these unacceptable cuts. I also ask you to oppose any cuts to Medicaid in the final budget resolution conference report adopted by Congress. Furthermore, SEIU urges Congress to recognize the need to protect deeper cutbacks in Medicaid by extending the temporary fiscal relief to the states that expires at the end of June.**

Sincerely,

Andrew L. Stern  
International President

ALS:MG:gmg

opeiu#2  
afl-cio, clc

ANDREW L. STERN  
International President

ANNA BURGER  
International Secretary-Treasurer

PATRICIA ANN FORD  
Executive Vice President

ELISEO MEDINA  
Executive Vice President

TOM WOODRUFF  
Executive Vice President

SERVICE EMPLOYEES  
INTERNATIONAL UNION  
AFL-CIO, CLC

1313 L Street, N.W.  
Washington, D.C. 20005

202.898.3200  
TDD: 202.898.3481  
www.SEIU.org